

Part 7

Early Retirement Incentive

49-12-701 Early retirement incentive -- Eligibility -- Calculation of benefit -- Payment of costs -- Savings to be appropriated by Legislature -- Restrictions on reemployment.

- (1) Any member of this system may retire and receive the allowance allowed under Subsection (2) if the member meets the following requirements as of the member's retirement date:
- (a) the member is eligible for retirement under Section 49-12-401, or has 25 years of service credit;
 - (b) the member elects to forfeit any stipend for retirement offered by the participating employer; and
 - (c) the member elects to retire from this system by applying for retirement by the date established under Subsection (3)(a) or (3)(b).
- (2)
- (a) A member who retires under Subsection (1) shall receive 2% of that member's final average salary for all years of service credit.
 - (b) An actuarial reduction may not be applied to the allowance granted under this section.
- (3) In order to receive the allowance allowed by this section, a member shall submit an application to the office as follows:
- (a)
 - (i) For state and school employees under Level A, the application shall be filed by May 31, 1987. The member's retirement date shall then be set by the member on the 1st or 16th day of July, August, or September, 1987.
 - (ii) If a Level A member elects to retire, the executive director or participating employer may request the member to delay the retirement date until a later date, but no later than June 30, 1988.
 - (iii) If the member agrees to delay the retirement date, the retirement date shall be delayed, but service credit may not be accrued after the member's original retirement date elected by the member, and compensation earned after the member's original retirement date may not be used in the calculation of the final average salary for determining the retirement allowance.
 - (b)
 - (i) For political subdivision employees under Level B, the application shall be filed by September 30, 1987.
 - (ii) The retirement date shall then be set by the member on the 1st or 16th day of July, August, September, October, November, or December, 1987.
- (4)
- (a) The cost of providing the allowance under this section shall be funded in fiscal year 1987-88 by a supplemental appropriation in the 1988 General Session based on the retirement contribution rate increase established by the consulting actuary and approved by the board.
 - (b) The cost of providing the allowance under this section shall be funded beginning July 1, 1988, by means of an increase in the retirement contribution rate established by the consulting actuary and approved by the board.
 - (c) The rate increase under Subsections (4)(a) and (b) shall be funded:
 - (i) for state employees, by an appropriation from the account established by the Division of Finance under Subsection (4)(d), which is funded by savings derived from this early retirement incentive and a work force reduction;

- (ii) for school employees, by direct contributions from the employing unit, which may not be funded through an increase in the retirement contribution amount established in Title 53A, Chapter 17a, Minimum School Program Act; and
 - (iii) for political subdivisions under Level B, by direct contributions by the participating employer.
- (d)
- (i) Each year, any excess savings derived from this early retirement incentive which are above the costs of funding the increase and the costs of paying insurance, sick leave, compensatory leave, and vacation leave under Subsections (4)(c)(i) and (c)(ii) shall be reported to the Legislature and shall be appropriated as provided by law.
 - (ii) In the case of Subsection (4)(c)(i), the Division of Finance shall establish an account into which all savings derived from this early retirement incentive shall be deposited as the savings are realized.
 - (iii) In the case of Subsection (4)(c)(ii), the State Board of Education shall certify the amount of savings derived from this early retirement incentive.
 - (iv) The State Board of Education and the participating employer may not spend the savings until appropriated by the Legislature as provided by law.
- (5) A member who retires under this section is subject to Section 49-11-504 and Chapter 11, Part 12, Postretirement Reemployment Restrictions Act.
- (6) The board may adopt rules to administer this section.
- (7) The Legislative Auditor General shall perform an audit to ensure compliance with this section.

Amended by Chapter 144, 2016 General Session

Amended by Chapter 310, 2016 General Session